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**INTEGRATED HEALTH SYSTEM FAIR**

**PRACTICES ACT**

2007 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Rebecca D. Lockhart**

Senate Sponsor: Curtis S. Bramble

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**LONG TITLE**

**General Description:**

This bill creates the Integrated Health System Fair Practices Act.

**Highlighted Provisions:**

This bill:

- ▶ defines terms; and
- ▶ requires an integrated health system to restrict certain communications between affiliates and subsidiaries in certain circumstances.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

ENACTS:

**13-5b-101**, Utah Code Annotated 1953

**13-5b-102**, Utah Code Annotated 1953

**13-5b-103**, Utah Code Annotated 1953

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*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **13-5b-101** is enacted to read:



28 CHAPTER 5b. INTEGRATED HEALTH SYSTEM FAIR PRACTICES ACT

29 **13-5b-101. Title.**

30 This chapter is known as the "Integrated Health System Fair Practices Act."

31 Section 2. Section **13-5b-102** is enacted to read:

32 **13-5b-102. Definitions.**

33 For purposes of this chapter:

34 (1) "Affiliate" means an organization that directly or indirectly through one or more  
35 intermediaries controls, is controlled by, or is under common control with ~~H~~→ [a nonprofit]  
35a [an] another ←H  
36 organization.

37 (2) "Integrated health system" means ~~H~~→ [a nonprofit] an ←H organization that directly,  
37a or through  
38 an affiliate or subsidiary:

39 (a) owns and operates one or more hospitals in the state; and

40 (b) offers health insurance to residents of the state.

41 (3) "Subsidiary" means an affiliate controlled:

42 (a) by a specified person;

43 (b) directly or indirectly; and

44 (c) through one or more intermediaries.

45 Section 3. Section **13-5b-103** is enacted to read:

46 **13-5b-103. Contract negotiation standards.**

47 (1) An integrated health system shall prohibit any employee or independent contractor  
48 of any division, subsidiary, or affiliate engaged in the business of health insurance from  
49 negotiating contracts on behalf of the integrated health care systems' health care facilities,  
50 subject to licensing under Title 26, Chapter 21, Health Care Facility Licensing and Inspection  
51 Act, with any other licensed health insurer in the state.

52 (2) An integrated health system shall prohibit the disclosure of contract pricing terms  
53 between the integrated health care systems' health care facilities and other health insurers with  
54 the integrated health care systems' divisions, subsidiaries, or affiliates which are engaged in the  
55 business of health insurance.

**Legislative Review Note**  
**as of 1-19-07 6:51 PM**

**Office of Legislative Research and General Counsel**

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**H.B. 374 - Integrated Health System Fair Practices Act**

**Fiscal Note**

2007 General Session

State of Utah

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**State Impact**

Enactment of this bill will not require additional appropriations.

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**Individual, Business and/or Local Impact**

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.

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